



MI Brompton UK Recovery Unit Trust

Annual report 30 June 2024

MI Brompton UK Recovery Unit Trust

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*These collectively comprise the authorised unit trust manager's report.

Directory

Authorised unit trust manager (AUTM) & registrar

Apex Fundrock Limited
Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 01245 398950
Fax: 01245 398951
Website: www.fundrock.com
(Authorised and regulated by the Financial Conduct Authority)

Customer service centre

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
Telephone: 0345 026 4288
Fax: 0845 280 2416
E-mail: afasuk@apexgroup.com

Directors of the AUTM

A.C. Deptford
P.J. Foley-Brickley
S.J. Gunson (appointed 24 May 2024)
I.T. Oddy (retired 7 March 2024)
C. O'Keeffe (retired 6 May 2024)
D. Phillips (Non-Executive Director)
L.A. Poynter (appointed 18 June 2024)
J. Thompson (Non-Executive Director)

Investment manager

Brompton Asset Management Ltd
1 Knightsbridge Green, London SW1X 7QA
(Authorised and regulated by the Financial Conduct Authority)

Trustee

Northern Trust Investor Services Limited (NTISL)
50 Bank Street, Canary Wharf, London E14 5NT
(Authorised and regulated by the Financial Conduct Authority)

Independent auditor

Grant Thornton UK LLP
Statutory Auditors, Chartered Accountants
30 Finsbury Square, London EC2A 1AG

MI Brompton UK Recovery Unit Trust

Investment objective

The investment objective of the MI Brompton UK Recovery Unit Trust (the fund) is to achieve capital growth.

Investment policy

The fund will invest principally in the securities of UK companies quoted on the London Stock Exchange that are experiencing difficult trading or that have growth prospects that are not duly recognised by the market.

In addition to ordinary shares the fund may also invest in fixed interest securities, preference shares, debt securities convertible to ordinary stock, money market instruments, deposits and any other permitted asset type deemed appropriate to meet the investment objective. The fund may also invest outside the UK.

Investment manager's report

for the year ended 30 June 2024

Performance

The fund gained 12.16%* over the year to 30 June 2024, matching the return from the UK stockmarket, while cash as measured by the three-month UK Interbank Rate returned 5.50%. At the year end, the gain from the fund's July 2002 inception was 398.50%. Over the same period, the UK stockmarket returned 354.21% while cash returned 62.89%.

*Source: Thomson Reuters, NAV to NAV, A Units Accumulation, total return to 30.06.24.

Manager's review

There were two principal reasons why the UK stockmarket delivered positive returns during the year to 30 June 2024. The first was that global economic conditions proved stronger than many economists had feared in early 2023, with US economic growth showing particular strength. The second reason was a growing confidence that official interest rates had peaked and that central banks would begin to ease monetary policy in 2024. This optimism was the product of significant falls in inflation across the developed world. The figures for May 2024 showed headline inflation at 3.3%, 2.6% and 2% respectively from the US, the eurozone and the UK.

Shares retreated, however, in the closing weeks of the year under review as investors grew more pessimistic about early rate cuts by the Federal Reserve (Fed). There had been hopes in early 2024 that the Fed would ease its policy rate as early as June and that there would be three cuts by the end of the year. In June, however, hopes of the first cut had been put back to September and Fed officials were guiding investors to expect only one cut in 2024. In the UK, investors in June were expecting the Bank of England to begin cutting Bank Rate later in the summer. The European Central Bank moved ahead of its peers, easing monetary policy in June, but raised its eurozone inflation forecast, implying that further rate cuts would come more slowly than investors had previously expected.

There were minor divergences between large internationally-diversified UK companies and medium-sized companies more reliant on domestic economic conditions, with large companies as measured by the MSCI United Kingdom Index outperforming over the year under review, up 13.16% against 12.16% for the broader market. Small and micro-cap companies, however, generated the strongest returns overall, rising 14.04%. At the sector level, the strongest returns came from the industrial, energy and technology sectors, which gained 24.10%, 18.66% and 17.83% respectively. By contrast, consumer staples fell 0.84% while utilities and consumer discretionary stocks gained only 0.08% and 8.96% respectively.

Portfolio review

Within the portfolio, some of the strongest returns among large and medium-sized companies came in the basic materials, consumer, industrials and financials sectors. In basic materials, Hochschild Mining returned 151.81%. Among consumer stocks, two housebuilders, Vistry, and Redrow, the latter subject to bid activity, returned 79.11% and 58.43% respectively. The Mitchells & Butlers pubs chain rose 39.81% while the retailers Marks & Spencer and Currys, which was also subject to bid activity, returned 50.24% and 37.54% respectively. In industrials, DS Smith, a third company that faced a takeover bid, and BAE Systems returned 64.42% and 46.04% while in financials, NatWest and Lloyds Banking rose 38.86% and 32.94% respectively. The weakest large and medium-sized companies were Vanquis Banking, the subprime lender, down 71.94%, Ocado, the online retailer, down 49.14%, Dowlais, the motor component maker demerged from Melrose, down 39.72%, PZ Cussons, the personal care and toiletries business, down 36.32%, Abrdn, the fund manager, down 25.41%, and Rentokil Initial, the industrial services company, down 23.71%.

Among the portfolio's smaller stocks, Merit, a business intelligence technology company, and Johnson Service, the textile rental group, recovered 97.58% and 56.25% respectively while Rockwood Strategic, an asset manager that seeks out recovery situations among small companies, gained 32.34%. By contrast, Oxford BioMedica, a pharmaceutical services business, and N Brown, the catalogue and online retailer, fell 29.35% and 13.18% respectively.

Investment manager's report

continued

During the year under review, the fund initiated a new position in Everyman Media, a cinema chain that should benefit from its focus on high-quality smaller venues that have an upmarket food and beverages offer and the withdrawal of financially-troubled companies from the sector. In addition, the holdings in ABRDN, Anglo American, British Land, N Brown, BT Group, Currys, Dowlais, Londonmetric, Merit, Ocado, Oxford BioMedica, PZ Cussons, Spirent Communications, Thungela Resources, Town Centre Securities, TT Electronics Property, Vanquis Banking and Vodafone were topped up on weakness. The fund took partial profits on its holdings in BAE Systems, Sage and Shell and profitably sold its holdings in Halma, Inchcape and Serica Energy.

Outlook

After global economic growth surprised investors with its strength during the year under review, leading indicators in the early summer of 2024 suggested that economic conditions would deteriorate during the second half of the year. This was noticeable in the US but also in the eurozone while there were indications from Japan that monetary tightening by its central bank may reflect over-optimism about domestic economic conditions. In China, second-quarter economic growth was weaker than forecast and monetary conditions suggested further weakness to come.

In the US, a composite leading indicator measuring consumer and business sentiment, durable goods orders, the labour market, housing starts, the stockmarket and the relationship between short- and long-term bond yields had turned down. One of the main reasons was a fall in housing starts to a post-Covid low. In Japan, business confidence was waning, with exports remaining relatively soft despite the weakness of the yen. In the eurozone, business confidence levels as a whole were suffering from the political turmoil in France and nervousness among German manufacturers. In the UK, consumer confidence has improved as a result of the rapid fall in inflation to the Bank of England's 2% target yet it remains fragile, with consumer interest in big-ticket purchases dropping back after a revival in demand in 2023. Second-quarter economic growth was, once again, stronger than expected but it was narrowly based on business services, with consumer services, manufacturing, construction and property all still weak.

In such circumstances, relative performance among companies and sectors is likely to vary significantly during the second half of 2024, emphasising the importance of stock selection in generating performance.

MI Brompton UK Recovery Unit Trust

Portfolio statement

as at 30 June 2024

Holding	Security	Market value £	% of total net assets 2024
	Technology 3.11% (3.64%)		
	Software and computer services 2.02% (2.57%)		
21,506	Sage	233,985	2.02
	Technology hardware and equipment 1.09% (1.07%)		
86,663	TT Electronics	126,528	1.09
	Telecommunications 5.17% (4.20%)		
	Telecommunications equipment 1.88% (1.20%)		
119,114	Spirent Communications	217,740	1.88
	Telecommunications service providers 3.29% (3.00%)		
129,876	BT	182,216	1.58
4,400,000	Global Connectivity****	44,000	0.38
3,400,000	Global Connectivity Warrants 20/04/2026**	–	0.00
220,490	Vodafone	153,770	1.33
		379,986	3.29
	Healthcare 4.21% (4.42%)		
	Medical equipment and services 0.00% (0.00%)		
611,374	Advanced Oncotherapy***	–	0.00
	Pharmaceuticals and biotechnology 4.21% (4.42%)		
10,785	GlaxoSmithKline	164,956	1.43
57,180	Haleon	184,463	1.59
46,458	Oxford BioMedica	137,748	1.19
		487,167	4.21
	Financials 14.24% (15.05%)		
	Banks 6.19% (5.79%)		
42,836	HSBC	292,913	2.53
339,184	Lloyds Banking	185,669	1.61
76,073	NatWest	237,119	2.05
		715,701	6.19
	Finance and credit services 3.79% (4.73%)		
47,511	H&T*	176,266	1.52
139,678	International Personal Finance	177,391	1.54
169,293	Vanquis Banking	84,816	0.73
		438,473	3.79
	Investment banking and brokerage services 1.20% (1.61%)		
93,844	Abrdn	139,030	1.20
	Closed-end investments 1.81% (1.51%)		
78,840	Rockwood Strategic	208,926	1.81
	Life insurance 1.26% (1.41%)		
64,155	Legal & General	145,568	1.26

Portfolio statement

continued

Holding	Security	Market value £	% of total net assets 2024
	Real estate 7.92% (7.22%)		
	Real estate investment trusts 7.92% (7.22%)		
44,944	British Land	184,900	1.60
821,205	Hammerson	227,309	1.96
121,655	Intu Properties***	–	0.00
103,412	Londonmetric Property	199,895	1.73
131,064	Shaftesbury Capital	182,310	1.58
93,143	Town Centre Securities	121,086	1.05
		<hr/>	
		915,500	7.92
	Consumer discretionary 22.56% (18.52%)		
	Household goods and home construction 6.43% (5.04%)		
32,708	Colefax*	278,018	2.40
33,189	Redrow	221,039	1.91
20,726	Vistry	244,774	2.12
		<hr/>	
		743,831	6.43
	Media 6.87% (5.67%)		
396,700	Centaur Media	150,746	1.30
294,572	Everyman Media*	147,286	1.28
118,602	Merit*	98,440	0.85
26,299	Pearson	260,518	2.25
172,000	Zinc Media*	137,600	1.19
		<hr/>	
		794,590	6.87
	Retailers 6.62% (5.69%)		
233,383	Currys	167,919	1.45
73,117	Kingfisher	181,769	1.57
100,578	Marks & Spencer	287,955	2.49
664,892	N Brown*	128,657	1.11
		<hr/>	
		766,300	6.62
	Travel and leisure 2.64% (2.12%)		
106,900	Mitchells & Butlers	304,665	2.63
80,000	Peel Hotels**	800	0.01
		<hr/>	
		305,465	2.64
	Consumer staples 5.28% (5.97%)		
	Personal care, drug and grocery stores 5.28% (5.97%)		
64,338	J Sainsbury	163,933	1.42
924,400	McColl's Retail***	–	0.00
31,249	Ocado	90,247	0.78
163,931	PZ Cussons	161,964	1.40
4,473	Unilever	194,307	1.68
		<hr/>	
		610,451	5.28
	Industrials 24.55% (28.63%)		
	Construction and materials 1.49% (1.69%)		
183,500	Michelmersh Brick*	172,490	1.49
	Aerospace and defense 2.56% (2.68%)		
22,386	BAE Systems	295,495	2.56
	Electronic and electrical equipment 3.46% (5.55%)		
14,100	IMI	248,724	2.15
4,090	Renishaw	151,330	1.31
		<hr/>	
		400,054	3.46

MI Brompton UK Recovery Unit Trust

Portfolio statement

continued

Holding	Security	Market value £	% of total net assets 2024
General industrials 4.80% (4.47%)			
209,696	Dowlais	153,288	1.33
53,390	DS Smith	224,772	1.94
10,366	Smiths	176,637	1.53
		554,697	4.80
Industrial engineering 3.24% (3.24%)			
37,446	Melrose Industries	207,226	1.79
36,195	Vesuvius	167,040	1.45
		374,266	3.24
Industrial support services 9.00% (11.00%)			
670,000	Autins*	80,400	0.69
3,607	Intertek	172,920	1.50
130,975	Johnson Service*	206,679	1.79
35,051	Rentokil Initial	161,620	1.40
24,176	RS	169,474	1.47
138,699	Serco	249,103	2.15
		1,040,196	9.00
Basic materials 6.21% (4.71%)			
Industrial metals and mining 3.28% (3.13%)			
7,472	Anglo American	186,949	1.62
3,695	Rio Tinto	192,140	1.66
		379,089	3.28
Precious metals and mining 2.93% (1.58%)			
143,132	Aclara Resources	43,052	0.37
165,369	Hochschild Mining	295,680	2.56
		338,732	2.93
Energy 3.23% (4.54%)			
Oil, gas and coal 3.23% (4.54%)			
8,571	Shell	242,859	2.10
27,409	Thungela Resources	130,576	1.13
		373,435	3.23
Alternative energy 0.00% (0.00%)			
4	Ocean Power Technologies	1	0.00
Investment assets		11,157,696	96.49
Net other assets		406,224	3.51
Net assets		11,563,920	100.00

All investments are ordinary shares or stock units on a regulated securities market unless otherwise stated. The percentages in brackets show the equivalent % holdings as at 30.06.23.

* Quoted on AIM.

** These securities have been valued at the authorised unit trust manager's best assessment of their fair value.

*** These securities are in administration.

**** Quoted on the Aquis exchange.

Comparative table

Change in net assets per unit

A Accumulation units	30.06.24 p	30.06.23 p	30.06.22 p
Opening net asset value per unit	442.37	421.13	455.11
Return before operating charges [^]	59.10	28.49	-26.40
Operating charges	-7.42	-7.23	-7.58
Return after operating charges [^]	51.68	21.26	-33.98
Distributions	-8.36	-10.99	-6.16
Retained distributions on accumulation units	8.36	10.99	6.16
Closing net asset value per unit	494.05	442.37	421.13
[^] After direct transaction costs of	-0.14	-0.18	-0.05
Performance			
Return after charges	11.68%	5.05%	-7.47%
Other information			
Closing net asset value	£11,563,920	£10,319,179	£9,800,099
Closing number of units	2,340,636	2,332,612	2,327,095
Operating charges	1.61%	1.62%	1.63%
Ongoing operating charges	1.61%	1.62%	1.60%
Direct transaction costs	0.03%	0.04%	0.01%
Prices			
Highest unit price	510.18	478.80	490.90
Lowest unit price	421.30	399.15	421.22

Operating charges include indirect costs incurred in the maintenance and running of the fund, as disclosed but not limited to the detailed expenses within the Statement of total return. The figures used within this table have been calculated against the average net asset value for the accounting year.

The return after charges is calculated as the closing net asset value per unit plus the distributions on income units minus the opening net asset value per unit as a % of the opening net asset value per unit. The basis of valuation of investments used to calculate net asset value per unit is described in notes to the financial statements 1(g), and complies with requirements of the current statement of recommended practice for financial statements of UK authorised funds. This differs from the basis used to calculate daily published single prices, in which listed investments are valued at 12:00 mid prices.

Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset where applicable against any dilution levies charged within the accounting year. The figures used within this table have been calculated against the average net asset value for the accounting year.

Risk and reward profile

The risk and reward indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the risk and reward indicator.



The fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose investors money and that extreme market circumstances can mean investors suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this fund:

- There may be cases where a company in which the fund owns shares falls into receivership due to trading difficulties. This could cause losses to the fund and reduce your investment.
- The fund invests in particular stocks which are experiencing difficulties or are undervalued. It may therefore not perform in line with funds that have a broader investment policy.
- For further risk information please see the prospectus.

Risk warning

An investment in a unit trust should be regarded as a medium-to-long-term investment. Investors should be aware that the price of units and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

Statement of the authorised unit trust manager's responsibilities

The Collective Investment Schemes Sourcebook published by the FCA, (the COLL Rules) requires the AUTM to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the fund and of the net revenue and net gains or losses on the property of the fund for the year.

In preparing the financial statements the AUTM is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for financial statements of UK Authorised Funds issued by the Investment Association (IA) in May 2014 and amended in June 2017;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The AUTM is responsible for the management of the fund in accordance with its trust deed, the prospectus and the COLL Rules.

The AUTM is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial statements comply with the sourcebook. The AUTM is also responsible for safeguarding the assets of the fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the AUTM is aware:

- there is no relevant audit information of which the fund's auditor is unaware; and
- the AUTM has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

Certification of the annual report by the AUTM

In accordance with the requirements of the regulations and COLL sourcebook, we hereby certify the report on behalf of the fund, Apex Fundrock Limited.



P.J. Foley-Brickley

S.J. Gunson

L.A. Poynter

Directors

Apex Fundrock Limited

12 September 2024

MI Brompton UK Recovery Unit Trust

Statement of the trustee's responsibilities in respect of the fund and report of the trustee to the unitholders of the MI Brompton UK Recovery Unit Trust (the fund)

for the year ended 30 June 2024

The trustee in its capacity as trustee of the MI Brompton UK Recovery Unit Trust must ensure that the fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, together the regulations, the trust deed and prospectus together the scheme documents as detailed below.

The trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the fund and its investors.

The trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the fund in accordance with the regulations.

The trustee must ensure that:

- the fund's cash flows are properly monitored and that cash of the fund is booked in cash accounts in accordance with the regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the regulations;
- the value of units of the fund are calculated in accordance with the regulations;
- any consideration relating to transactions in the fund's assets is remitted to the fund within the usual time limits;
- the fund's income is applied in accordance with the regulations; and
- the instructions of the AUTM are carried out (unless they conflict with the regulations).

The trustee also has a duty to take reasonable care to ensure that the fund is managed in accordance with the regulations and the scheme documents of the fund in relation to the investment and borrowing powers applicable to the fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as depository of the fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the fund, acting through the AUTM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the fund's units and the application of the fund's income in accordance with the regulations and the scheme documents of the fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the fund in accordance with the regulations and the scheme documents of the fund.

Northern Trust Investor Services Limited

UK Trustee and Depositary Services

12 September 2024

Independent auditor's report to the unitholders of MI Brompton UK Recovery Unit Trust

Opinion

We have audited the financial statements of MI Brompton UK Recovery Unit Trust (the fund) for the year ended 30 June 2024. These financial statements comprise the statement of total return, the statement of change in unitholders' funds, the balance sheet, and notes to the financial statements, including a summary of significant accounting policies, and the distribution table.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes sourcebook and the Trust deed.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 June 2024 and of the net revenue and net capital gains/(losses) on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 as amended in June 2017, the rules of the Collective Investment Schemes sourcebook and the Trust deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the AUTM's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Fund to cease or continue as a going concern.

In our evaluation of the AUTM's conclusions, we considered the inherent risks associated with the Fund's business model including effects arising from macro-economic uncertainties such as Geopolitical Uncertainty and Cost of Living crisis, we assessed and challenged the reasonableness of estimates made by the AUTM and the related disclosures and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the AUTM's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the AUTM with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The AUTM is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the unitholders of MI Brompton UK Recovery Unit Trust

continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- the information given in the Authorised Unit Trust Manager's Report (which comprises; on page 1, Directory, on page 2 the Investment Objective and Policy, the Investment Manager's Report, the Portfolio Statement, the Risk and Reward Profile; and on page 26, the General Information) is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Fund have not been kept; or
- the financial statements are not in agreement with those accounting records.

Responsibilities of the AUTM

As explained more fully in the Statement of the Authorised Unit Trust Manager's Responsibilities, the AUTM is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the AUTM determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the AUTM is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the AUTM either intends to wind up the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Fund and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management. We determined that the most significant laws and regulations were the Collective Investment Schemes Sourcebook, the Investment Association Statement of Recommended Practice (SORP) 'Financial Statements of UK Authorised Funds' and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';

Independent auditor's report to the unitholders of MI Brompton UK Recovery Unit Trust

continued

- We enquired of the AUTM and management to obtain an understanding of how the Fund is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the breaches register.
- In assessing the potential risks of material misstatement, we obtained an understanding of: the Fund's operations, including the nature of its revenue sources, and of its objective to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement and the Fund's control environment, including the policies and procedures implemented to mitigate risks of fraud or non-compliance with the relevant laws and regulations.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - testing journal entries, including manual journal entries processed at the year end for financial statements preparation; and
 - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - knowledge of the industry in which the Fund operates; and
 - understanding of the legal and regulatory frameworks applicable to the Fund.

Use of our report

This report is made solely to the Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, United Kingdom

12 September 2024

MI Brompton UK Recovery Unit Trust

Statement of total return

for the year ended 30 June 2024

	Note	£	30.06.24 £	£	30.06.23 £
Income					
Net capital gains	2		1,010,579		237,563
Revenue	3	373,183		436,905	
Expenses	4	(174,884)		(168,656)	
Net revenue before taxation		198,299		268,249	
Taxation	5	(2,514)		(11,870)	
Net revenue after taxation			195,785		256,379
Total return before distributions			1,206,364		493,942
Distributions	6		(195,785)		(256,377)
Change in net assets attributable to unitholders from investment activities			1,010,579		237,565

Statement of change in unitholders' funds

for the year ended 30 June 2024

	£	30.06.24 £	£	30.06.23 £
Opening net assets attributable to unitholders		10,319,179		9,800,099
Amounts receivable on issue of units	72,016		25,138	
Less: Amounts payable on cancellation of units	(33,639)		–	
		38,377		25,138
Change in net assets attributable to unitholders from investment activities (see Statement of total return above)		1,010,579		237,565
Retained distributions on accumulation units		195,785		256,377
Closing net assets attributable to unitholders		11,563,920		10,319,179

The notes on pages 16 to 24 form an integral part of these financial statements.

Balance sheet

as at 30 June 2024

	Note	30.06.24		30.06.23	
		£	£	£	£
ASSETS					
Fixed assets					
Investments			11,157,696		9,999,328
Current assets					
Debtors	7	35,109		44,412	
Cash and bank balances	9	402,893		304,378	
Total current assets			438,002		348,790
Total assets			11,595,698		10,348,118
LIABILITIES					
Creditors					
Other creditors	8	(31,778)		(28,939)	
Total creditors			(31,778)		(28,939)
Total liabilities			(31,778)		(28,939)
Unitholders' funds			11,563,920		10,319,179

The notes on pages 16 to 24 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2024

1. Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 and the Statement of Recommended Practice (SORP) for Financial Statements of UK Authorised Funds issued by the Investment Association (IA) in May 2014 and amended in June 2017.

The financial statements have been prepared on the going concern basis.

The Authorised status and head office of the fund can be found within the general information starting on page 26.

The Certification of the annual report by the authorised unit trust manager can be found on page 9.

(b) Recognition of revenue

Revenue is included in the statement of total return on the following basis:

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend.

Interest on bank and short-term deposits is recognised on an earned basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

(c) Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

(d) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged against revenue for the year on an accruals basis.

(e) Taxation

Corporation tax is provided at 20% on revenue, after deduction of expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(f) Distribution policy

The net revenue after taxation as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to unitholders as dividend distributions. Any revenue deficit is funded from capital.

At the year end, there were no items of a capital nature.

The policy of the fund is to make dividend accumulations on the last working day of August each year, where any revenue accumulated is transferred to the capital property of the fund.

Any income equalisation arising on units' creation and cancellation in the year has been transferred to capital.

Notes to the financial statements

continued

1. Accounting Policies (continued)

(g) Basis of valuation of investments

Listed investments are valued at close of business bid prices on the last business day of the accounting year excluding any accrued interest in the case of fixed and floating rate interest securities.

Unlisted or suspended investments are valued by the AUTM taking into account where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

Market value is defined by the SORP as fair value, which generally is the bid value of each security.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1: Unadjusted quoted price in an active market for an identical instrument.
- Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.
- Level 3: Valuation techniques using unobservable inputs.

(h) Exchange rates

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting year are translated into sterling at the closing exchange rates ruling on that date.

2. Net capital gains	30.06.24	30.06.23
	£	£
Non-derivative securities	1,011,184	238,551
Currency gains	23	3
Transaction charges	(628)	(991)
Net capital gains	1,010,579	237,563

3. Revenue	30.06.24	30.06.23
	£	£
UK dividends: Ordinary	321,686	320,307
Special	5,589	33,598
Overseas dividends	12,568	59,352
Property income dividends	24,675	20,133
Bank interest	8,665	3,515
Total revenue	373,183	436,905

4. Expenses	30.06.24	30.06.23
	£	£
Payable to the AUTM, associates of the AUTM and agents of either of them:		
AUTM fee	29,541	29,501
Payable to the investment manager, associates of the investment manager and agents of either of them:		
Investment manager's fee	107,624	103,908

Notes to the financial statements

continued

4. Expenses (continued)

	30.06.24	30.06.23
	£	£
Payable to the trustee, associates of the trustee and agents of either of them:		
Trustee's fee (including VAT)	12,017	12,000
Safe custody and other bank charges	6,882	6,512
	<u>18,899</u>	<u>18,512</u>
Auditor's remuneration*:		
Audit fee (including VAT)	10,896	10,049
Tax compliance services (including VAT)	2,534	2,348
	<u>13,430</u>	<u>12,397</u>
Other expenses:		
Legal fee	3,594	2,610
Printing costs	1,796	1,728
	<u>5,390</u>	<u>4,338</u>
Expenses	174,884	168,656

*Included within the auditor's remuneration is irrecoverable VAT of £2,238 (2023: £2,066).

5. Taxation

	30.06.24	30.06.23
	£	£
a) Analysis of charge in the year:		
Overseas tax	2,514	11,870
Income tax deducted at source	–	(447)
Income tax recoverable	–	447
Total tax charge (note 5b)	2,514	11,870
(b) Factors affecting taxation charge for the year:		
Net revenue before taxation	198,299	268,249
Corporation tax at 20%	39,660	53,650
Effects of:		
Franked dividends	(64,337)	(64,061)
Special dividends	(1,118)	(6,720)
Movement in surplus management expenses	28,309	29,001
Overseas tax expensed	2,514	11,870
Non-taxable overseas earnings	(2,514)	(11,870)
Total tax charge (note 5a)	2,514	11,870

(c) Deferred tax

At the year end there is a potential deferred tax asset of £443,419 (2023: £415,110) in relation to surplus management expenses of £2,217,095 (2023: £2,075,553). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

Notes to the financial statements

continued

6. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

		30.06.24	30.06.23
		£	£
Final distribution	30.06.24	195,785	256,377
Total		195,785	256,377

Reconciliation of net revenue after taxation to net distributions:

Net revenue after taxation per statement of total return		195,785	256,379
Income equalisation transferred to capital		–	(1,428)
Undistributed revenue brought forward		2	1,428
Undistributed revenue carried forward		(2)	(2)
Distributions		195,785	256,377

7. Debtors

		30.06.24	30.06.23
		£	£
Accrued income:			
Dividends receivable		34,662	43,307
UK income tax recoverable		447	492
Prepaid expenses:			
Legal fee		–	613
Total debtors		35,109	44,412

8. Other creditors

		30.06.24	30.06.23
		£	£
Accrued expenses:			
Amounts payable to the AUTM, associates of the AUTM and agents of either of them:			
AUTM's fee		2,418	2,425
Amounts payable to the Investment manager, associates of the Investment manager and agents of either of them:			
Investment manager's fee		9,620	8,688
Amounts payable to the trustee associates of the trustee and agents of either of them:			
Trustee's fee (including VAT)		2,000	2,005
Safe custody and other bank charges		3,340	3,343
		5,340	5,348
Auditor's remuneration*:			
Audit fee (including VAT)		10,145	9,394
Tax compliance services (including VAT)		2,349	2,163
		12,494	11,557

MI Brompton UK Recovery Unit Trust

Notes to the financial statements

continued

8. Other creditors (continued)

	30.06.24	30.06.23
	£	£
Other accrued expenses:		
Legal fees	956	–
Printing costs	950	921
	<u>1,906</u>	<u>921</u>
Total other creditors	31,778	28,939

*Included within the auditor's remuneration is irrecoverable VAT of £2,082 (2023: £1,926).

9. Cash and bank balances

	30.06.24	30.06.23
	£	£
Cash and bank balances	402,893	304,378
Cash and bank balances	402,893	304,378

10. Related party transactions

Apex Fundrock Limited (AFL) is regarded as a related party by virtue of having the ability to act in respect of the operations of the fund in its capacity as the AUTM.

AUTM and other fees payable to AFL are disclosed in note 4 and amounts due at the year end are shown in note 8.

Fees payable to Brompton Asset Management Ltd, the investment manager, are disclosed in note 4 and amounts due at the year end are shown in note 8.

New Star Investment Trust, an entity managed by Brompton Asset Management Ltd, had the following unit holdings in the MI Brompton UK Recovery Unit Trust:

Accumulation units	Held at 30.06.24	% Held at 30.06.24	Change in year	Held at 30.06.23	% Held at 30.06.23
New Star Investment Trust	659,993	28.1972	–	659,993	28.2942

11. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (2023: none).

12. Risk management policies and disclosures

In pursuing its investment objectives, the fund may hold a number of financial instruments. These financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from the fund's operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

In doing so, the AUTM accepts market price risk and currency risk in relation to the investment portfolio and foreign cash positions.

The risks arising from financial instruments and the AUTM's policies for the monitoring and managing of these risks are stated below in accordance with the risk management policy of the AUTM.

These policies have been consistent for both years through which these financial statements relate.

Notes to the financial statements

continued

12. Risk management policies and disclosures (continued)

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the fund might suffer through holding market positions in the face of price movements. This means the value of an investor's holding may go down as well as up and an investor may not recover the amount invested. Investors should consider the degree of exposure of the fund in the context of all their investments.

The fund's investment portfolio is exposed to market price fluctuations, which are monitored by the fund as per the policies as set out in the Prospectus. The investment guidelines and investment and borrowing powers set out in the trust deed, the Prospectus and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook describe the nature of the market risk to which the fund will be exposed.

At the balance sheet date, if the price of the investments held by the fund increased or decreased by 10%, with all other variables held constant, the net assets attributable to unitholders would increase or decrease by approximately £1,115,770 (2023: £999,933).

Currency risk

Although the fund's capital and income are denominated in sterling, a proportion of the fund's investments may have currency exposure and, as a result, the income and capital value of the fund are affected by currency movements.

Currency risk is the risk that the value of the fund's investments will fluctuate as a result of changes in currency exchange rates. For funds where a proportion of the net assets of the fund is denominated in currencies other than sterling, the balance sheet can be affected by movements in exchange rates. The fund monitors the currency exposure of the fund and may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies.

The table below details the currency risk profile at the balance sheet date.

Currency	30.06.24 Total £	30.06.23 Total £
Canadian dollar	43,052	45,098
Euro	8,412	5,789
Pound sterling	11,512,455	10,268,290
United States dollar	1	2
	11,563,920	10,319,179

At the balance sheet date, if the value of sterling increased or decreased by 10%, with all other variables held constant, then the net assets attributable to unitholders would increase or decrease by approximately £5,147 (2023: £5,089).

Interest rate risk

Interest rate risk, being the risk that the value of investments will fluctuate as a result of interest rate changes. The majority of the fund's assets comprise equity shares which neither pay interest nor have a maturity date.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Stress testing and scenario analysis is carried out on a regular basis.

There is no material interest rate exposure in the fund (2023: none) therefore no sensitivity analysis has been shown.

Credit risk

Credit risk arises from the possibility that the issuer of a security will be unable to pay interest and principal in a timely manner. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

There are no net borrowings or unlisted securities and the AUTM considers that the fund has little exposure to credit risk.

Notes to the financial statements

continued

12. Risk management policies and disclosures (continued)

Liquidity risk

Liquidity risk is the risk that a fund cannot raise sufficient cash to meet its liabilities when due. One of the key factors influencing this will be the ability to sell investments at, or close to, the fair value without a significant loss being realised.

Under normal circumstances, a fund will remain close to fully invested. However, where circumstances require: either because a view of illiquid securities markets or high levels of redemptions in the fund, the fund may hold cash and/or more liquid assets. Temporary higher liquidity levels may also arise during the carrying out of a change in asset allocation policy or following a large issue of units.

The AUTM manages the fund's cash to ensure it can meet its liabilities. In addition, the AUTM monitors market liquidity of all securities, seeking to ensure the MI Brompton UK Recovery Unit Trust maintains sufficient liquidity to meet known and potential redemption activity. The fund's cash balances are monitored daily by the AUTM. All of the fund's financial liabilities are payable on demand or in less than one year.

AUTM conducts regular monitoring to ensure the liquidity profile of the fund investments comply with their underlying obligations, particularly their ability to meet redemption requests.

Stress tests are undertaken, under normal and exceptional liquidity conditions, in order to assess the liquidity risk of each fund.

Counterparty risk

The risk that the counterparty will not deliver the investments for a purchase or the cash for a sale after the fund has fulfilled its responsibilities which could result in the fund suffering a loss. The investment manager minimises the risk by conducting trades through only the most reputable counterparties.

Derivatives

The fund may enter into derivative contracts for Efficient Portfolio Management (EPM) purposes, including hedging. The purposes of EPM must be to achieve reduction of risk, the reduction of cost, or the generation of additional income or capital with an acceptably low level of risk and the use of these instruments must not cause the fund to stray from its investment objectives.

Any EPM transaction must be economically appropriate and the exposure fully covered. The AUTM monitors the use of derivatives to ensure EPM rules are satisfied.

In the opinion of the Manager there is no sophisticated derivative use within the fund and accordingly a sensitivity analysis is not presented.

Fair value of financial assets and liabilities

Investments disclosed as at the balance sheet date are at fair value. Current assets and liabilities disclosed in the balance sheet are at amortised cost which is approximate to fair value.

Notes to the financial statements

continued

13. Portfolio transaction costs

30.06.24

Analysis of purchases	Total purchase cost £	Commissions paid		Taxes		Purchases before transaction cost £
		£	%	£	%	
Equities	868,096	346	0.04	2,905	0.33	864,845
Total purchases after commissions and tax	868,096					

Analysis of sales	Net sale proceeds £	Commissions paid		Taxes		Sales before transaction cost £
		£	%	£	%	
Equities	720,913	278	0.04	6	0.00	721,197
Total sales after commissions and tax	720,913					

Commission as a % of average net assets	0.01%
Taxes as a % of average net assets	0.03%

30.06.23

Analysis of purchases	Total purchase cost £	Commissions paid		Taxes		Purchases before transaction cost £
		£	%	£	%	
Equities	939,269	364	0.04	4,164	0.44	934,741
Total purchases after commissions and tax	939,269					

Analysis of sales	Net sale proceeds £	Commissions paid		Taxes		Sales before transaction cost £
		£	%	£	%	
Equities	683,188	136	0.02	3	0.00	683,327
Total sales after commissions and tax	683,188					

Commission as a % of average net assets	0.00%
Taxes as a % of average net assets	0.04%

Commissions and taxes as a % of the average net assets form part of the direct transaction costs stated within the comparative tables on page 7. The direct transaction costs within the comparative tables may differ due to the effect of dilution levies charged where applicable.

14. Portfolio dealing spread

The average portfolio dealing spread at 30 June 2024 is 0.86%. (2023: 0.85%).

Notes to the financial statements

continued

15. Events after the balance sheet date

There were no notifiable events post the year end balance sheet date.

16. Fair value disclosure

Valuation technique	30.06.24		30.06.23	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1 [^]	11,156,896	–	9,998,528	–
Level 2 ^{^^}	–	–	–	–
Level 3 ^{^^^}	800	–	800	–
	11,157,696	–	9,999,328	–

[^]Level 1: Unadjusted quoted price in an active market for an identical instrument.

^{^^}Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

^{^^^}Level 3: Valuation techniques using unobservable inputs.

17. Units in issue

	30.06.24
Opening number of units	2,332,612
Units issued	14,972
Units cancelled	(6,948)
Closing number of units	2,340,636

Distribution table

for the year ended 30 June 2024

A Accumulation unit distribution

Distribution	Amount reinvested 2024 p	Amount reinvested 2023 p
Final	8.3646	10.9910

Equalisation

No equalisation is applied to transactions in units.

MI Brompton UK Recovery Unit Trust

General Information

Authorised status

The fund is an authorised unit trust scheme and UK UCITS scheme operating under chapter 5 of COLL. The fund qualifies for certification under the UCITS directive. The fund was established on 5 September 2006 and authorised by the FCA on 6 September 2006.

The fund does not intend to have an interest in immovable property.

Unitholders are not liable for the debts of the fund.

Head office

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

Address for service

The head office is the address in the United Kingdom for service on the fund of notices or other documents required or authorised to be served on it.

Base currency

The base currency of the fund is pounds sterling.

Units

The trust deed allows the fund to issue different classes of units in respect of the fund.

The fund currently has the following class of units available for investment:

Class A accumulation units

Holders of accumulation units are not entitled to be paid the revenue attributable to such units, but that revenue is retained and accumulated for the benefit of unitholders and is reflected in the price of units.

Valuation point

The scheme property of the fund will normally be valued at 12:00 on each dealing day for the purpose of calculating the price at which units in the fund may be issued, sold, repurchased or redeemed.

For the purpose of the pricing of units, a business day is defined as a day on which the dealing office of the AUTM is open for the buying and selling of units. The AUTM may at any time during a business day carry out an additional valuation of the property of the fund if the AUTM considers it desirable to do so, with the trustee's approval.

Buying and selling of units

The AUTM will accept orders for the purchase, sale and switching of units on normal business days between 08:30 and 16:30. Instructions to buy or sell units may either be in writing to:

Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY

Or by telephone on:

0345 026 4288

The AUTM has the right to establish facilities for recording telephone calls made or received on this telephone line.

A contract note giving details of the units purchased will be issued no later than the next business day after the business day on which an application to purchase units is received and instrumented by the AUTM. Certificates will not be issued in respect of units. Ownership of units will be evidenced by an entry on the register of unitholders.

Pricing basis

There is a single price for buying, selling and switching units in a fund which represents the net asset value of the fund concerned. The unit price is calculated on a forward pricing basis, that is at the next valuation point after the purchase or redemption is deemed to be accepted by the AUTM.

The prices of units are published daily on www.fundrock.com. Neither the fund nor the AUTM can be held responsible for any errors in the publication of the prices. The units in the fund will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

General Information

continued

Other Information

The trust deed, prospectus, key investor information document and the most recent interim and annual reports may be inspected at the head office of the AUTM which is also the head office of the fund. Copies may be obtained free of charge upon application. They are also available from the website of the AUTM, the details of which are given in the directory of this report.

Unitholders who have complaints about the operation of the fund should in the first instance contact the AUTM, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

Significant information

Effective 13 July 2023 Maitland Institutional Services Limited changed name to Apex Fundrock Limited.

The AUTM has assessed implications of current world geopolitical tensions and conflicts. The current crises have and will have a wider impact in terms of market performance.

AUTM Value Assessment

The AUTM is required to provide an annual statement for the fund, attesting that in the opinion of the AUTM the services provided to the fund and any fees chargeable to the scheme property represent value for money, taking into account the following criteria as set out by the Regulator under COLL 6.6.20R:

- Quality of service
- Performance
- Economies of scale
- Comparable services and market rates
- Classes of units

This statement references services provided directly by the AUTM and those services delegated by the AUTM to third parties such as, but not limited to, investment management, depositary services, custody and settlement, audit provision, legal services, printing services, KIID production and maintenance, and other costs as may be set out or allowable in the scheme documentation.

The AUTM value assessment is published on www.fundrock.com.

Task Force on Climate-Related Financial Disclosures (TCFD)

The AUTM is required to publish a public TCFD product report in respect of the fund. The report is designed to provide investors with transparency into their portfolios' climate-related risks and opportunities according to the recommendations from the TCFD and aims to help investors understand their exposure to these risks and opportunities.

Reports for the fund are published on www.fundrock.com/mi-funds/ and can be found under Task Force on Climate-Related Financial Disclosures (TCFD) by selecting the relevant fund manager and fund.

Remuneration of the AUTM

The AUTM is subject to a remuneration policy that meets the requirements of the Undertakings for Collective Investment in Transferable Securities Directive (UCITS) as set out in SYSC 19E of the FCA handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the AUTM's compliance with its duty to act in the best interests of the funds it manages.

The AUTM has reviewed the remuneration policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

This disclosure does not include portfolio management activities as these are undertaken by various third party investment managers appointed by the AUTM. The investment manager is required to make separate public disclosure as part of their obligations under the Capital Requirements Directive.

The AUTM is required to disclose the total remuneration it pays to its staff during the financial period of the fund, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of the fund or the AUTM itself. This includes executives, senior risk and compliance staff and certain senior managers.

MI Brompton UK Recovery Unit Trust

General Information

continued

30.06.24	Number of beneficiaries	Fixed	Variable	Total
Total remuneration paid by the AUTM during the year	15	£1,499,000	£414,000	£1,913,000
Remuneration paid to employees of the AUTM who have material impact on the risk profile of the fund*	5	£735,000	£255,000	£990,000

*one employee materially impacting the risk profile of the fund retired 6 May 2024, and two were appointed 24 May 2024 and 18 June 2024 respectively.

Further information is available in the AUTM's remuneration policy statement, which can be obtained from www.fundrock.com or, on request free of charge, by writing to the registered office of the AUTM.

Risk warning

An investment in a unit trust should be regarded as a medium-to-long-term investment. Investors should be aware that the price of units and the revenue from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

